

**ASSEMBLY BILL**

**No. 788**

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**Introduced by Assembly Member Pan**

February 17, 2011

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An act to amend Section 10133.5 of the Insurance Code, relating to health insurance.

LEGISLATIVE COUNSEL'S DIGEST

AB 788, as introduced, Pan. Health insurance.

Existing law provides for the regulation of health insurers by the Department of Insurance. Existing law requires the Insurance Commissioner, on or before January 1, 2004, to promulgate regulations meeting specified standards applicable to health insurers that contract with providers for alternative rates. Existing law requires the department to report to specified committees of the Legislature on March 1, 2003, and March 1, 2004, regarding the implementation of the regulations.

This bill would delete the provisions requiring the department to report to the Legislature on those dates.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 10133.5 of the Insurance Code is
- 2     amended to read:
- 3     10133.5. (a) The commissioner shall, on or before January 1,
- 4     2004, promulgate regulations applicable to health insurers which
- 5     contract with providers for alternative rates pursuant to Section

1 10133 to ensure that insureds have the opportunity to access needed  
2 health care services in a timely manner.

3 (b) These regulations shall be designed to assure accessibility  
4 of provider services in a timely manner to individuals comprising  
5 the insured or contracted group, pursuant to benefits covered under  
6 the policy or contract. The regulations shall insure:

7 ~~1.~~

8 (1) Adequacy of number and locations of institutional facilities  
9 and professional providers, and consultants in relationship to the  
10 size and location of the insured group and that the services offered  
11 are available at reasonable times.

12 ~~2.~~

13 (2) Adequacy of number of professional providers, and license  
14 classifications of such providers, in relationship to the projected  
15 demands for services covered under the group policy or plan. The  
16 department shall consider the nature of the specialty in determining  
17 the adequacy of professional providers.

18 ~~3.~~

19 (3) The policy or contract is not inconsistent with standards of  
20 good health care and clinically appropriate care.

21 ~~4.~~

22 (4) All contracts including contracts with providers, and other  
23 persons furnishing services, or facilities shall be fair and  
24 reasonable.

25 (c) In developing standards under subdivision (a), the department  
26 shall also consider requirements under federal law; requirements  
27 under other state programs and law, including utilization review;  
28 and standards adopted by other states, national accrediting  
29 organizations and professional associations. The department shall  
30 further consider the accessibility to provider services in rural areas.

31 (d) In designing the regulations the commissioner shall consider  
32 the regulations in Title 28, of the California Administrative Code  
33 of Regulations, commencing with Section 1300.67.2, which are  
34 applicable to Knox-Keene plans, and all other relevant guidelines  
35 in an effort to accomplish maximum accessibility within a cost  
36 efficient system of indemnification. The department shall consult  
37 with the Department of Managed Health Care concerning  
38 regulations developed by that department pursuant to Section  
39 1367.03 of the Health and Safety Code and shall seek public input  
40 from a wide range of interested parties.

1 (e) Health insurers that contract for alternative rates of payment  
2 with providers shall report annually on complaints received by the  
3 insurer regarding timely access to care. The department shall  
4 review these complaints and any complaints received by the  
5 department regarding timeliness of care and shall make public this  
6 information.

7 ~~(f) The department shall report to the Assembly Committee on~~  
8 ~~Health and the Senate Committee on Insurance of the Legislature~~  
9 ~~on March 1, 2003, and on March 1, 2004, regarding the progress~~  
10 ~~towards the implementation of this section.~~

11 ~~(g)~~

12 (f) Every three years, the commissioner shall review the latest  
13 version of the regulations adopted pursuant to subdivision (a) and  
14 shall determine if the regulations should be updated to further the  
15 intent of this section.